



Rates & Regulatory Affairs
UG-181053
2018 WA General Rate Revision
Response to Bench Request No. 2

Date of Request: July 8, 2019

Date of Response: July 18, 2019

Responder: Kevin McVay (on behalf of Parties to the All-Party Joint Settlement Agreement)

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Witness: Kevin McVay (on behalf of Parties to the All-Party Joint Settlement Agreement)

Request: Bench Request No. 2

A. Please file electronic worksheets, in the format provided for Kevin S. McVay's Exh. KSM-2 in response to Bench Request No. 1, updated to reflect the All-Party Joint Settlement Agreement, along with all supporting calculations contained therein, to reflect proposed adjustments based on the settlement, beginning with actual per-book amounts and the Company's original testimony. All cells changed or modified to reflect the settlement should be readily identifiable. Please provide these files in electronic spreadsheet format with all formulas and links intact. *See* WAC 480-07-510(3)(h).

Response:

The attached file (UG-181053-NWN-AllParty-BRR-2-KSM-WP31-7-18-19) is submitted in response to Bench Request No. 2 issued on July 8, 2019. The tab labeled "Settlement Issues" provides a reference and tabulation of each settled issue in the Joint Settlement Agreement, and the file produces the agreed upon increase to revenue requirement of \$5,138,531. As a foundational issue, the file includes an adjustment for corrected Washington allocation factors that was previously included in response to Bench Request No. 1 in this docket. The cover letter to that response includes the following text:

"Additionally, the parties to this docket have requested that NW Natural file with the Commission updated workpapers that were provided to the parties during the discovery process. Specifically, NW Natural is filing its supplemental response to UTC Staff Data Request No. 43, in the format provided to the parties including specified dates. That supplemental response contains all of Mr. McVay's workpapers, *including updated workpapers that reflect corrected Washington allocation factors*. In anticipation that the parties will be using these workpapers in their reply testimony, the Company is providing this information to ensure that the Commission and its advisory staff also have this information" (*emphasis added*).

The net result of the correction of allocation factors was a reduction to revenue requirement of \$123,042, which was subsequently agreed to in paragraph 12 in the Joint Settlement

Agreement. In the attached file to Bench Request No. 2 we have included this revision in line 3 of the "Settlement Issues" tab, which shows the revenue requirement including the revision for allocation factors. The remaining settlement issues are itemized on lines 4 through 13. Each issue includes a tab reference and settlement action that describes the modification of the file to reflect the settlement provisions.